



# BOARD OF RETIREMENT

## Staff Report

File #: 22-206.1

Agenda Date: 6/2/2022

Agenda #: 13.

**FROM:** Amy McInerny, Chief Financial Officer

**SUBJECT:** Annual Budget for the Fiscal Year Ending June 30, 2023

**RECOMMENDATION:**

Approve the proposed Annual Budget for the Fiscal Year Ending June 30, 2023.

**BACKGROUND:**

On an annual basis, SBCERA is required to adopt an Annual Budget which covers both Administrative and Non-Administrative Expenses of the Plan for the coming fiscal year. Staff has prepared the proposed budget attached as Exhibit A. In summary, this budget is a 12.1% increase, or \$3,293,800, from the approved budget for the Fiscal Year Ending June 30, 2022.

Annual Budget Summary by Expenditure Budget for the Fiscal Year Ending June 30, 2023						
	FY 22/23	FY21/22	FY21/22	Increase/ (Decrease)	Change over	Share of
	Proposed Budget	Approved Budget	Estimated Actual	over FY 21/22 Budget	FY 21/22 Budget	Annual Budget
Total Administrative Budget	\$ 13,226,000	\$ 11,435,850	\$ 9,849,985	\$ 1,790,150	15.7%	43%
Total Non-Administrative Budget	17,352,000	15,809,350	12,803,862	1,542,650	9.8%	57%
<b>Total Budget</b>	<b>\$ 30,578,000</b>	<b>\$ 27,245,200</b>	<b>\$ 22,653,847</b>	<b>\$ 3,332,800</b>	<b>12.2%</b>	<b>100%</b>

A total of eight new positions are being requested, as well as five reclassifications or salary range adjustments.

California Government Code 31580.2 imposes a statutory limit on Administrative Expenses based on no more than 21 basis points of the most recent Actuarial Accrued Liability. That limit, calculated on page 16 of the proposed Annual Budget is \$31,410,614. The requested Administrative Expense Budget of \$13,187,000 is 9 basis points, or 42% of the statutory limit.

After unanimous recommendation by the Administrative Committee, additional insurance quotes were received. As a result, the line item for Insurance has increased from \$276,000 to \$315,000 to deal with additional increases.

**BUDGET IMPACT:**

This item will establish the Annual Budget for the Fiscal Year Ending June 30, 2023.

**STRATEGIC PLANNING GOAL/OBJECTIVE:**

Prudent Fiscal Management

**COMMITTEE REVIEW:**

This item was review by the Administrative Committee at its May 23, 2022, meeting, and recommended Board approval with a 3-0 vote.

**STAFF CONTACT:**

Amy McInerny

**ATTACHMENTS:**

Exhibit A: Proposed Annual Budget for the Fiscal Year Ending June 30, 2023